

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

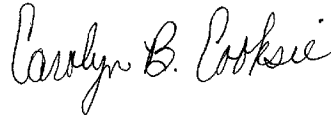
Notice FLP-247

2-FLP

For: State and County Offices

Reamortized Guaranteed Loans

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

Until now, KCFO was unable to modify guaranteed loan information in the Guaranteed Loan System (GLS) when interest was capitalized because of restructuring or reamortization. County Offices were required to enter the capitalized interest amount on restructured loans as “unpaid interest” to process FSA-1980-41 in GLS. The “Add Loan Reamortization” capability is now available for KCFO processing.

B

Purpose

This notice:

- provides information needed to request KCFO to modify restructured guaranteed loans with capitalized interest
- recommends that County Offices use the following GLS reports to ensure that all restructured loans with capitalized interest are corrected in GLS:
 - Reamortized Loans Summary Report
 - Reamortized Loans Detail Report.

C

Contact

State Offices shall refer questions about this notice to Trina Brake, LSPMD, at 202-690-4008.

Disposal Date

January 1, 2003

4-24-02

Distribution

State Offices; State Offices relay to County Offices

2 Action

A County Office Action

County Offices shall:

- review their guaranteed loans that have been restructured with capitalized interest
- prepare RD 1980-47 and FSA-1980-84 according to the FMI, as applicable for each loan
- submit a memorandum to KCFO, **Attn:** Paul Quante or Sharon Sachs, by June 15, 2002, identifying the following information for each loan:
 - date of maturity
 - reamortization date
 - unpaid principal amount
 - capitalized interest amount
 - new loan amount
 - accrued interest not capitalized at the time of restructuring
 - guaranteed interest rate
 - type of guaranteed interest rate (fixed/variable)
 - nonguaranteed interest rate
 - type of nonguaranteed interest rate (fixed/variable)
- periodically review the GLS Reamortized Loans Summary Report and Reamortized Loans Detail Report to ensure that all restructured loans submitted to KCFO have been corrected in GLS.

Once the loan reamortization is processed, County Offices are no longer required to send FSA-1980-41 to KCFO for entry into GLS.

Continued on the next page

2 Action (Continued)

B

**Capitalization
of Interest on
Loans With
Interest
Assistance (IA)**

If a loan has IA and the capitalized interest exceeds the original IA loan amount and/or the original term of the IA agreement is extended, the Authorized Agency Official must comply with requirements of 2-FLP, subparagraph 326 F.

C

**Future Field
Office “Add
Loan
Reamortization”
Access**

Once KCFO has processed the backlog of reamortized loans with capitalized interest, the “Add Loan Reamortization” function will be made available to all users with GLS ID’s. GLS users will have access to the “Add Loan Reamortization” function through the GLS, Loan Servicing Menu option, when it is made available to users on line. All restructured loans with or without capitalized interest will be processed through the Add Loan Reamortization Screens.
